



**Testimony of David Thomas,
AARP Connecticut Volunteer Chairman for Economic Security
Low-Income Residential Utility Rate Hearing
January 10, 2011**

Good afternoon, my name is David Thomas; I am an AARP volunteer and AARP's representative on the Low-Income Energy Advisory Board. AARP supports fully funded and well-promoted low-income discount rates for consumers with residential utility burdens that exceed the median percentage of household income spent on utility services.

Connecticut needs a discount rate to address the disproportionate energy burden place on low-income families and seniors. With a discount utility rate, low-income households would be better able to afford their gas and electricity bills, and rather than simply providing a subsidy, the discount rate embraces a market-based approach that rewards efficiency and conservation. A discount rate will also help prevent costly shut-offs and collections that result when low-income consumers cannot keep up with payments.

AARP believes the discount rate should be based on income and funded largely through replacing existing low-income programs, thereby minimizing any potential cost-shift to other rate-payers. We strongly supported legislation last session that would have established a low-income discount rate for electricity and we will advocate again this year for similar low-income discounts.

Older consumers are particularly vulnerable to rapid increases in utility prices. Although they consume approximately the same amount of energy as younger people do, older Americans devote a higher percentage of total spending to residential energy costs. Even with minor reductions in CL&P and UI prices this year, Connecticut's electric rates still outpace other New England states. Too often low-income older people risk their health or comfort by choosing between cutting back on energy expenditures and reducing spending for other necessities.

Beyond a low income utility rate, our goal is to help pass electric market reforms and restructuring that will lower the cost of electricity for all Connecticut rate-payers. AARP will advocate for legislation that will both, improve the way Connecticut purchases electricity, and strengthen consumers' bargaining power to negotiate for lower prices. Our state needs electric market reforms that put downward pressure on electric rates. This would help all residents and ensure that fewer people need energy assistance or discount rates in the first place. We look forward to working with you this session. Thank you.